

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7260**

**BILL NUMBER:** SB 337

**NOTE PREPARED:** Jan 7, 2009

**BILL AMENDED:**

**SUBJECT:** Registering Interior Designers.

**FIRST AUTHOR:** Sen. Kruse

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** *Registration of Interior Designers*- The bill requires the Secretary of State (SOS) to register interior designers.

*Registration Fees*- The bill establishes the requirements for registration and fees. The bill requires the SOS to deposit the fees into the Electronic and Enhanced Access Fund (EEAF).

*Prohibitions*- The bill provides that a person: (1) may not use the title "registered interior designer" or any title designation sign, card, or device indicating the person is a registered interior designer unless the person has a certificate of registration; and (2) is ineligible for registration if the person has a civil judgment for negligence, recklessness, willful misconduct, or another breach of a standard of care in the practice of interior design entered against the person.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** *Registration of Interior Designers*- The Secretary of State would be responsible for overseeing the registration process, collecting fees and preparing relevant forms. Common operating costs associated with the process include: printing, postage, supplies, telephone charges, and personnel. The fiscal impact will depend on the number of applicants. Increased expenditures could be partially offset by increased revenue from new registration fees.

The following table illustrates the potential estimated cost to the SOS to implement this bill.

Estimated Costs to the SOS to Implement Registration.	
Item	Estimated Cost in FY 2010
Salaries of New Positions	Administrative Assistant: \$40,482 Data Processing Operator: \$39,390
Fringe Benefits	\$25,400
Indirect Costs (Computers)	\$1,000
License Form Processing*	\$180
Postage*	\$256
<b>TOTAL</b>	<b>\$106,708</b>
<p>Note- Estimate does not include other start-up costs such as phone service and office furniture. The estimate assumes 950 persons would register with the Secretary of State.</p> <p>*Assuming cost of \$190 per 1,000 application forms, and \$0.27 postage per license.</p>	

**Explanation of State Revenues:** *Registration Fees-* Initial registration and biennial renewal fees are both \$100. The fee for restoring a registration is \$300. Fee revenue would be deposited in the EEAF. Money in the EEAF is used by the Secretary of State to improve and enhance its technological service to its customers. It is continuously appropriated and may be used to implement the registration process.

The Bureau of Labor Statistics estimated there were about 950 interior designers in Indiana as of May 2007. Assuming an accurate estimate, the proposal would generate approximately \$95,000 in fee revenue if all interior designers registered.

*Penalty Provision:* A person who uses the title of “registered interior designer”, any title designation sign, card, device indicating they are a registered interior designer without registering with the SOS, intentionally gives false information to the SOS; impersonates another certified designer; or uses an expired, suspended, or revoked registration commits a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** SOS.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Bureau of Labor Statistics OES 2007 statistics; U.S. Postal Service; State Budget Agency: *General and Rainy Day Fund Summaries, June 30, 2008.*

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